



Capitol Update

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News

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Legislative
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2006 FINAL LEGISLATIVE SESSION SUMMARY

The 2006 supplemental operating and capital budgets (as passed by the legislature) provide an additional \$18.1 million in new budgetary resources for the University of Washington. This includes an increase of \$9.6 million in state general fund appropriations, raising total state operating budget support for the 2005-07 biennium from \$704 million to \$714 million. In addition, \$8.5 million is provided in the supplemental capital budget, increasing total state funded capital support from \$79 million to about \$88 million for the 2005-07 biennium. A summary of individual budget items is provided below.

OPERATING BUDGET -- \$9.6 Million

South Lake Union Phase 2 -- \$2.4 Million

The supplemental budget provides \$2.4 million for partial support of operations and maintenance funding for Phase 2 of the University's South Lake Union biomedical research facilities. The facilities will consist of an 188,000 square foot laboratory building, a 97,000 square foot office building and a 420 stall parking garage located on Republican Street between 8th and 9th Avenues. Once completed, the facility is expected to generate more than \$40 million in federal and private research funding, 2,300 new jobs and a "spin-off" economic benefit of \$113 million by 2014.

Foege Building Maintenance and Operations -- \$2.0 Million

The budget includes \$2.0 million for partial support of maintenance and operations costs for the new William H. Foege Building that will house the Department of Genome Sciences and the Department of Bioengineering. Dr. Foege is a graduate of the UW School of Medicine who is recognized for developing the strategy that led to the elimination of smallpox. Research conducted in the new facility is expected to generate more than \$60 million in federal and private research funding, 1,500 new jobs and a "spin-off" economic benefit of \$74 million by 2012.

Department of Global Health -- \$500,000

Additional state funding is provided to help support teaching and research efforts for the University's new Department of Global Health – a joint effort of the School of Medicine and the School of Public Health and Community Medicine. The department will serve as a model for the integration of educational, research and public service activities, singularly focused on the sustainable improvement of health in developing countries.

Engineering, Math and Science Enrollments -- \$2.5 Million

The budget provides \$2.5 million to add 150 “high demand” student enrollments beginning in the 2006-07 academic year. Budget language requires the University to make it a priority to use these funds to expand access to baccalaureate programs in engineering, math and science. The enrollments are funded at an average cost of \$16,000 for engineering degrees and \$18,000 for math and science degrees. By December 15, 2006, the University is required to report to the legislative fiscal committees the number of new student FTEs enrolled with these funds.

Upgrade Pacific Northwest Seismic Network -- \$400,000

The budget includes \$400,000 requested by the University to enhance the capability of the Pacific Northwest Seismic Network. Funds will be used to hire additional staff to improve ShakeMaps to better estimate damage following seismic events; add “fragility” information to ShakeMaps; provide for rapid determination of the detailed characteristics of an earthquake; develop near real-time aftershock probability maps; and, provide early warning to critical facilities.

Unplanned Energy Cost Increases – \$1.0 Million

One-time funding of \$1.0 million is provided to the University to assist with the extraordinary increases in natural gas cost prices, which occurred in the aftermath of hurricanes Katrina and Rita.

Legislatively Directed Enhancements -- \$700,000

- MESA Program. \$300,000 is provided for the Math, Engineering and Science Achievement (MESA) program to establish centers throughout Washington State.
- Burke Museum. \$150,000 is provided to enhance the museum's public outreach capabilities.
- Washington Search for Young Scholars. \$150,000 is provided for this program located at the Robinson Center.
- UW Tacoma Autism Center. \$100,000 is added to the budget for the autism center at the UW Tacoma campus.
- College of Education People of Color Curriculum Review -- *Vetoed.* \$125,000 was provided for the UW College of Education to conduct a review of curriculum offered by public schools in Washington State, for the purpose of examining the extent to which the curriculum fully and accurately include the history, contributions and contemporary experiences of people of color.

"Smart Buy" Savings Initiative Changes -- Vetoed

In the original 2005-07 biennial budget, the legislature assumed a statewide general fund savings of \$25 million from a strategic purchasing strategy called "Smart Buy." The supplemental budget reduced the anticipated savings from \$25 million to \$22.2 million and other language exempts the State Board for Community and Technical Colleges from any allotment reductions related to the purchasing strategy. *This section was vetoed by the Governor. In her message, she directs the Department of General Administration to work with higher education agencies to develop a practical approach to achieving savings.*

OTHER OPERATING BUDGET ISSUES OF INTEREST

Health Technology Assessment Center -- \$1.238 Million

The budget includes \$1.238 million from various sources for the Health Care Authority to establish a centralized evidence-based health technology assessment system as prescribed in E2SHB 2575. It is anticipated that some of these funds will be used by the Authority to initiate a contract with University's Schools of Medicine, Public Health and Community Medicine and Pharmacy for a systematic evidence-based assessment of the safety, efficacy and cost-effectiveness of certain health technologies.

Life Sciences Discovery Fund -- \$992,000

The budget provides \$992,000 in additional funding for the Life Sciences Discovery Fund Authority for necessary start-up and administrative costs. The Authority was created in 2005 to review and fund research initiatives in the life sciences with bonus tobacco settlement monies that will be received by the state in April 2008. 2005-07 biennial funding for the Authority now totals \$1.142 million.

CAPITAL BUDGET -- \$8.5 Million

Nanotechnology Recruitment -- \$4.5 Million

To facilitate the recruitment of Dr. Gabriel Aeppli, an international leader in the field of nanotechnology, the capital budget provides \$4.5 million in new resources for the University. Funds will be used to remodel space in Fluke Hall and purchase related equipment to create a state-of-the-art nanotechnology laboratory. The new funds are provided by funding an existing project to demolish the More Hall Annex and other minor projects on campus with state toxics account funding, thus "freeing-up" sufficient University local funds for the nanotechnology project.

UW Tacoma Land Acquisition -- \$4.0 Million

A total of \$4 million in Gardner-Evans bonds is provided to acquire certain target properties within the boundaries of the UW Tacoma campus Master Plan area. These properties are identified as targets for immediate purchase because they will be needed for future development and are ready to be developed or marketed for sale.

OFM "Best Practices" Capital Budget Study

The supplemental capital budget requires the Office of Financial Management (OFM) to conduct a study on best practices for managing capital project costs. The study will look at long-term forecasting information for facility preservation, major facility or system replacement, and new capacity to result in more effective investment decisions for major public facilities and infrastructure. The study will also cover best practices in the state's capital budgeting process and public works contracting procedures, appropriate uses of alternative capital project financing; and, management of risk and reduction of potential claims and litigation associated with state construction projects. The study must be completed by September 1, 2007.

TRANSPORTATION BUDGET

Highway 520 Expansion Impact Plan -- Vetoed

The supplemental transportation budget includes \$250,000 for the city of Seattle to prepare a plan for addressing the impacts of the state route 520 bridge replacement and HOV project on Seattle neighborhoods, parks and institutions of higher education. The city and council must convene an advisory committee consisting of representatives from local community councils, the University, the Arboretum and the Department of Transportation. In evaluating the project's impacts the city must give great weight to the concerns of neighborhoods and institutions of higher education impacted by the design proposals. Funds may be spent to analyze impacts of alternative designs, and perform conceptual design work and mitigation plans. The mayor and city council will have final approval of the plan. *This section was vetoed by the Governor.*

Prohibition on Construction of Highway 520

Language in the transportation budget prohibits the Department of Transportation from beginning construction on the 520 bridge project until a record of decision has been reached providing reasonable assurance that project impacts will be avoided, minimized, or mitigated as much as practicable to provide against further adverse impacts on neighborhood environmental quality. In addition, the department may not initiate construction on the 520 project until agreements have been reached with the city consistent with the 520 expansion impact plan discussed above.

BILLS OF INTEREST THAT PASSED THE LEGISLATURE

Expanding Access to Higher Education in Everett/Snohomish County Using the University Center Model – SHB 3113 (Sells)

This measure establishes a new university center at Everett Community College to address the immediate baccalaureate needs of North Snohomish, Island and Skagit county residents. Funding is included in the operating budget of the State Board for Community and Technical Colleges for Everett Community College to contract with baccalaureate partners (including the UW Bothell campus) to provide a minimum of 250 targeted FTE enrollments. This includes \$325,000 in new general fund resources as well as a redirection of some community and technical college enrollment funding provided in the original 2005-07 biennial budget. A total of \$3.8 million is included in the supplemental capital budget to expand the Everett Community College undergraduate center to accommodate the new center program.

Establishing a Health Technology Assessment Program – 2SHB 2575 (Cody)

This bill establishes a state health technology assessment program involving the Health Care Authority, the Department of Social and Health Services and the Department of Labor and Industries. The administrator of the Health Care Authority will set specific health technologies that will be reviewed and then contracts with an evidence-based health technology assessment center or other appropriate entity to conduct an assessment of the safety, efficacy and cost-effectiveness of the technology. An eleven member health technology clinical committee is established to review the results of the systematic assessment.

Establishing Technology Priorities for Institutions of Higher Education – SHB 2817 (Sells)

This measure establishes a state higher education priority for increased degrees in engineering, technology, biotechnology, sciences, computer science and mathematics. Institutions must determine local student demand in these fields and report their findings to the Higher Education Coordinating Board and the Legislature by November 1, 2008.

Concerning Cost Savings on Course Materials – SHB 3087 (Ormsby)

Requires the boards of regents and trustees of state universities and colleges to adopt rules requiring affiliated bookstores to provide students with the option of purchasing “unbundled” course materials, disclosing the cost to students of purchasing materials, and disclose publicly how new editions differ from previous editions. Bookstores must actively promote textbook buy-back programs and faculty and staff must consider least costly practices in assigning course materials.

Revising the Terms of Appointment of Student Regents and Trustees – HB 2857 (Kenney)

This measure modifies the one-year appointment starting date for student regents from June 1 to July 1. The change is made to insure that student regents can participate in board discussions on institutional budgets, which are generally adopted at the June regents or trustees meeting.

Increasing Tuition Waivers for Veterans – SHB 2233 (Kristiansen)

Requires institutions of higher education to participate in outreach activities to increase the number of veterans who receive tuition waivers and revise their admissions applications so that veterans can be identified for the purpose of obtaining tuition assistance. Eligible veterans are encouraged to use Montgomery GI Bill funding prior to receiving an institutional tuition waiver.

BILLS OF INTEREST THAT DID NOT PASS THE LEGISLATURE

Requiring the Adoption of Rules Regulating Off-Campus Conduct of Students – SB 2123 (Murray)

This measure would have required the University to adopt rules regarding disruptive off campus conduct, including sanctions that apply while students are in neighborhoods, businesses or public places proximate to campus. Residents of the University Park community council and the city of Seattle supported the bill.

Regulating the Sale of Public Lands – HB 2724 (Hasegawa)

This measure would have prohibited all public agencies (including the University) from selling real property to a private person or private entity unless a compelling economic development necessity justifying the sale can be demonstrated. The bill was prompted by a recent sale of property by the Port of Seattle.

Requiring Disclosure of Outsourcing – HB 3160 (Hudgins)

This measure would have required state contracts to include certain provisions requiring disclosure of offshore outsourcing information. The disclosure requirements did not apply if the Office of Financial Management determined that the only practicable location in which the services may be performed is a location outside the United States or to higher education research or study abroad programs.

Graduate Fellowships in Math and Science – HB 2347 (Morris)

This measure would have established the Graduate Fellowship Trust Fund program for the sciences. The purpose of the program was to assist institutions of higher education to fund fellowships for graduate students in the science fields.